GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2491
ANSWERED ON:10.03.2000
EXPORT OF IRON ORE
SRIKANTA DATTA NARASIMHARAJA WADIYAR

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the total quantum of Iron ore procured from Karnataka for export during last three years, year-wise;

(b) whether there has been a sharp decline in the procurement of Iron ore from the state;

(c) if so, the reasons therefor; and

(d) the steps taken to increase the procurement and export of Iron ore from Karnataka?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) The total quantum of Iron ore procured from Karnataka for export by MMTC during the last three years is as under:

(Quantity in Lakh Tonnes)

Year	Procurement
1997-98	67.87
1998-99	57.50
1999-2000(Provisional)	60.00

(b) & (c) The decline in the procurement of iron ore from Karnataka during 1998-99 was due to the following reasons:

(i) MMTC`s procurement of iron ore from Karnataka is directly related to the quantum of export to be made during each year. On account of recession in the steel industry world over, the decline in export took place due to the lesser intake by Japanese and South Korean Steel Mills.

(ii) Other reason for decline in MMTC`s procurement of iron ore is that Govt. of India has allowed the mine-owners of Karnataka to export directly. Direct export of 7.19 and 12.05 lakh tonnes of iron ore from Karnataka have taken place during 1998-99 and 1999-2000 (upto 7.3.2000) respectively.

(d) The following steps have been taken to increase the procurement and export of Iron ore from Karnataka :

(i) MMTC have been making continuous efforts to develop new markets for export, and enhancing competitiveness by cost reduction and greater emphasis on quality. The emerging Chinese market has been tapped for export of low/ medium grade lumps and high grade/ low grade fines.

(ii) MMTC has long-term contracts with the Japanese and South Korean Steel Mills which are valid upto 31.3.2001. Long term agreement is proposed to be further extended by five years with Japan and South Korea.

(iii) Efforts are being made to enter new markets like Taiwan.

(iv) Government has increased the ceiling for export of High Grade Fines from Karnataka.